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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT & BUDGET  
LANSING

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DIRECTOR

**MEMORANDUM**

DATE: July 1, 2002

TO: Agency Business Managers & Procurement Offices  
All State of Michigan Agencies

FROM: Lymon Hunter, Buyer  
Acquisition Services

RE: **Hardware/MRO Items Contract #071B2001286**

The above referenced contract is for general hardware, tools and MRO items that agencies frequently need. The intent of the contract is to make it easier and more cost effective for agencies to obtain these items. Acquisition Services strongly encourage agencies to use this contract, however it is considered "optional use" and therefore is not mandatory. Some things that agencies should consider are as follows:

- The contract has next day delivery, therefore minimal stock needs to be maintained by agencies.
- The contract has no minimum order requirement, therefore large quantities do not need to be ordered and stockpiled.
- The contract has very competitive pricing (discounts ranging anywhere from 10% to 58% off the catalog prices).
- Agencies are not locked into any particular product because there is a wide variety of items and brands on the contract. In other words, they are not required to buy a low bid power tool (for example), they can buy whatever brand they desire and get a considerable discount on whatever brand they choose.
- Agencies can order from the contract using a variety of methods (orders can be called in or faxed to Grainger, agencies can order by logging onto [www.grainger.com](http://www.grainger.com), or agencies can visit any Grainger retail branch), which makes the contract very convenient to use.
- Agencies can pay for items purchased from Grainger using the Procurement Card or by issuing a direct purchase order against the contract, which makes it very convenient for people in the field.

Agencies should consider and assess how much time (and dollars) it takes for an employee to travel to a store every time they need something. Visiting a store is very expensive when you consider the time it takes, the employee's salary and benefits, the costs associated with taking a state vehicle, and the fact that the employee is not able to do their job because they are shopping around trying to find the products they need to do their job.

If you have any questions, please e-mail me at [hunterl@michigan.gov](mailto:hunterl@michigan.gov) or reach me directly at 517-241-1145.

cc: Jim Konrad